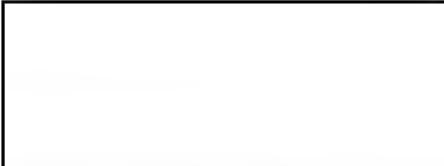


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19 April 1960

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# CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 43  
NO CHANGE IN CLASS.   
 DECLASSIFIED  
CLASS. CHANGED TO: TS S D  
NEXT REVIEW DATE: 2010  
AUTH: 9 HR 14-2 JUN 1960  
DATE: \_\_\_\_\_ REVIEWER:  

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Approved For Release 2002/10/21 : CIA-RDP79T00975A005000430001-8

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## CENTRAL INTELLIGENCE BULLETIN

19 April 1960

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### DAILY BRIEF

#### I. THE COMMUNIST BLOC

#### II. ASIA-AFRICA

India-Communist China: [Nehru continues to feel that his talks with Chou En-lai which begin tomorrow will result in nothing beyond a routine statement of peaceful intentions and the establishment of a joint commission to pave the way for future negotiations. Pressure from both domestic and international quarters for holding firm on India's stated position seems to have restricted Nehru's room for maneuver. Some form of concession, however, may be unavoidable as the talks progress.]

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Indonesia: The anti-Communist press in Djakarta, with the active encouragement of the army, is directing an unprecedented campaign of criticism against President Sukarno and his projected new parliament. Sukarno is out of the country on the third week of his eight-week world tour. [The American Embassy reports that the consensus in informed circles in Djakarta is that the army is deliberately whipping up public sentiment as "groundwork" in the event army leader General Nasution decides to take power. Nasution thus far has not committed himself to such a move, partly because of uncertainty over how much he could count on unified anti-Communist support.]

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*W* **Pakistan-UAR:** Nasir's six-day official visit to Pakistan ended on 16 April with a bland joint communiqué announcing a cultural agreement and trade discussions. Although the visit produced a show of amity on some issues such as Algeria and South Africa, Pakistan's alignment with the West will probably limit the extent of its cooperation with the neutralist UAR. Nasir's public offer on 15 April of his good offices in the Kashmir dispute will please the Pakistanis but annoy the Indians, who claim that Kashmir is already an integral part of India and that this is no longer a live issue.

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*OK* **UAR-Lebanon:** UAR and Lebanese dockworkers have declared a boycott of all US shipping in retaliation for the picketing of the UAR freighter Cleopatra in New York by the International Longshoremen's Association and the Seafarers' International Union protesting the UAR boycott of ships which have traded with Israel. American vessels may be denied supplies and other facilities in UAR and Lebanese ports, but there is no indication of any plans for restrictions on their use of the Suez Canal. The UAR is urging other Arab states to join in the boycott.

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*OK* **North Africa:** The Moroccan and Tunisian governments are concerned over the possibility that anticipated stepped-up hostilities between the French Army and the Algerian rebels will lead to new incidents within Moroccan and Tunisian boundaries. The Moroccan Foreign Ministry has formally protested an alleged French "bombardment" of Moroccan soil on 14 April. Tunisia's President Bourguiba has publicly warned that his country will resist any French incursions; he said Tunisia had rejected a French request that Tunisian residents be evacuated from frontier areas.

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*OK* **Belgian Congo:** The growing belligerency of leading Congolese nationalists toward Belgium's economic role in the Congo suggests that the economic round-table conference scheduled to begin in Brussels on 25 April will be acrimonious and probably inconclusive. The Congolese plan in particular to attack as inadequate

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the measures taken by the Belgians to prevent the flight of capital from the Congo, which has amounted to about \$150,000,000 since January 1959. The Congolese are also likely to oppose Brussels' plan for Belgian management of the budget and of the national banking system.

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### III. THE WEST

Cuba: Fidel Castro is apparently worried about his inability thus far to suppress the guerrilla bands now operating in the rugged Sierra Maestra, where outlaw bands have traditionally sought refuge.

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*OK* The guerrilla activity will be a test of the support Castro claims to have among the peasants of the Sierra Maestra, since the guerrillas cannot operate there long without peasant support.

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DAILY BRIEF

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**I. THE COMMUNIST BLOC****II. ASIA-AFRICA**Indians Remain Dubious About Outcome of Nehru-Chou Talks

Official circles and press commentators in New Delhi are increasingly doubtful that the talks between Prime Minister Nehru and Chinese Premier Chou En-lai beginning on 20 April will produce definitive results. Nehru reportedly continues to feel that the meeting will result only in agreement on a general easing of Sino-Indian tension, steps to eliminate the risk of further border incidents, and the establishment of some form of joint commission to study the border problem and prepare for future substantive negotiations.

Nehru's attitude toward the frontier question has hardened recently, apparently as a result of domestic and international pressures to maintain a firm position combined with increasing indications that the Chinese intend to be less conciliatory in deeds than in words. Nehru probably has been influenced by admonitions from President Prasad, cabinet colleagues, opposition leaders, and the press, some of whom may fear that Nehru will be maneuvered by Chou into a position where he feels some concession is required to maintain India's reputation for conciliatory policies.

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Chou, who arrives in New Delhi on 19 April following his stay in Burma, probably will get a polite but cold reception from most of the Indian public during his six-day visit. Chou may offer to exchange Chinese claims in Assam for clear title to Ladakh. In Rangoon, he stated that a mutual "exchange" of territory had been successfully negotiated--an effort to use the Sino-Burmese agreement as a precedent.

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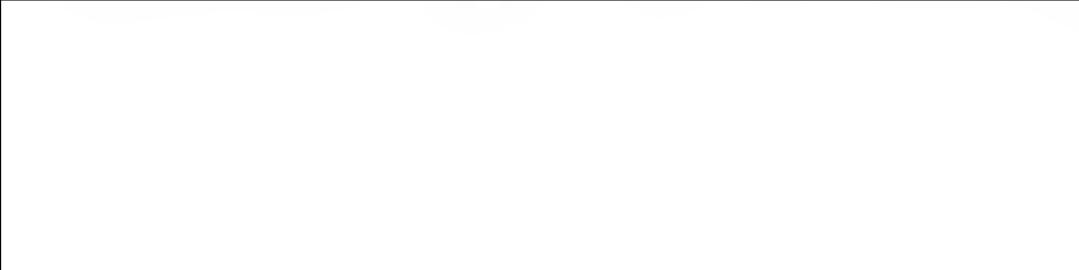
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### Indonesian Army Encourages Anti-Sukarno Press Campaign

Rumors and reports continue that the army, supported by non-Communist political elements, will attempt a coup either during President Sukarno's absence or shortly after his return from a global tour in early June. Principal evidence supporting these rumors is the army's active encouragement of a vigorous and unprecedently critical campaign by the anti-Communist press against President Sukarno and his newly appointed parliament. The leftist press, which has defended Sukarno and the parliament, is hampered by newsprint shortages, and the Communist daily has been banned for the past three weeks.

[The consensus in informed circles in Djakarta, however, is that the intent of the army's press campaign is to prepare the public in case Army Chief of Staff and Security Minister General Nasution should decide to take some form of anti-Sukarno action. Such action could be limited to blocking the installation of the new parliament in June or to preventing Sukarno from including Communists in a revised cabinet.] Nasution thus far has not committed himself to any decisive anti-Sukarno move, presumably because of his assessment of Sukarno's power position and in part because of uncertainty over unified anti-Communist support.



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UAR and Lebanese Dockworkers Boycott American Shipping

In retaliation for the picketing of the UAR freighter Cleopatra in New York, UAR longshoremen have declared a boycott of American ships, which may also be denied supplies and other facilities in UAR ports. Longshoremen in Beirut and Aden are reported ready to take similar action against American shipping. The UAR is urging dockworkers throughout the Arab world to join in the boycott; the executive council of the International Confederation of Arab Trade Unions reportedly will meet on 20 April to discuss the situation.

Members of the International Longshoremen's Association and the Seafarers' International Union have been picketing the UAR freighter Cleopatra in New York since 12 April, and loading of the ship has been halted. Their action is in protest against the UAR's boycott of ships which have traded with Israel. Cairo news media claim the demonstration is Zionist sponsored and that it is a "last desperate effort by Zionists to break the UAR economic blockade of Israel and force passage of the Suez Canal."

The picketing of the Cleopatra has been hailed by the Israeli press as a possible turning point in Israel's struggle for Suez passage. The Israelis are hopeful that picketing of UAR ships will spread to ports in other countries and that the incident will publicize the blockage of Israel's shipping through the canal and inspire support for overcoming these restrictions. The UAR, on the premise that a state of war still exists between it and Israel, bans from the canal ships chartered by Israel or by firms in which Israelis have part ownership, as well as Israeli ships and cargoes. On 10 April the Greek ship Astypalea was released from Port Said after nearly five months of detention. It had been chartered by an Israeli firm to carry cement from Haifa to Djibouti via the canal. The cargo was unloaded before the vessel's release. [An Israeli Foreign Ministry official has said that ships with cargoes from Israel will continue to be sent through the canal "from time to time." ]

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Morocco and Tunisia Fear Expanded Algerian Conflict

The Moroccan and Tunisian governments are again expressing concern over the possibility that hostilities between the French Army and the Algerian rebels will lead to new incidents within Morocco and Tunisia. The possibility that the rebels will launch a spring offensive has revived fears that the French military forces will retaliate against Algerian bases in Morocco and Tunisia.

The Moroccan Foreign Ministry is reported to have formally and energetically protested an alleged French bombardment of Moroccan soil for several hours on 14 April. The French Foreign Ministry claims the alleged incident occurred inside Algeria. President Bourguiba publicly warned France on 15 April that Tunisia would resist any French incursions. He said that Tunisia had rejected a French note asking that Tunisian residents be evacuated from the border area.

The French chargé d'affaires in Tunis told the American Embassy he had pointed out to the Tunisian Government the increased danger for Tunisians in the vicinity of rebel installations in Tunisia resulting from French fire against Algerians who are in the process of crossing the border. He stressed, however, that France had not raised any claim regarding the right of "hot pursuit" either by French ground or air forces, which remained under instructions against incursions into Tunisian territory. In Paris, the Foreign Ministry issued a formal denial that the government had made any allusion to the right of pursuit.

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Congolese Critical of Belgian Economic Policies

Leading Congolese nationalists Patrice Lumumba and Joseph Kasavubu are increasingly critical of Belgium's policies in regard to the Congo's deteriorating economic situation. They believe that Brussels has taken inadequate measures to halt a serious capital drain which since January 1959 has exceeded the normal capital outflow by at least \$150,000,-000. This represents the remissions of both companies and private individuals. The currency drain and a growing shortage of investment capital may have serious political consequences for the government to be formed in June.

Several months ago, Belgian and Congolese leaders agreed to hold economic discussions beginning on 25 April. Brussels has hoped to obtain agreements which would provide for Belgium's continued controlling influence in the Congo's financial affairs following its independence on 30 June. Specifically, Belgians would continue for several years to manage budget affairs, the national banking system, and the comptroller's office until Congolese could be trained in financial affairs.

Recently, Congolese criticism of Belgium's financial administration has mounted, and both Lumumba and Kasavubu will probably come to the Brussels talks in a belligerent mood. They are likely to demand a complete inventory of official and private Belgian interests in the Congo and may seek extensive financial changes involving the return of foreign exchange credits and tax receipts from semi-official companies operating in the Congo.

Further complications would arise if the Congolese persist in their argument that any agreements reached at the April conference would not be binding on the government to be formed in June. In this case, the Congo would achieve independence without giving Brussels legal guarantees for Belgian property or ensuring its paramount influence in the local economic situation.

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### III. THE WEST

#### Persistence of Guerrilla Action Apparently Bothers Castro

Fidel Castro is apparently worried about his inability to suppress the guerrilla bands now operating in the Sierra Maestra. Castro claimed on 17 April that there was only one guerrilla band of 14 men, but he remained in Oriente Province longer than his purported "inspection trip" warranted. The government-controlled daily Revolucion and news agency Prensa Latina are both taking great pains to discount the importance of the uprisings.

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[The Communists anticipate hostile intervention in Cuba and evidently fear that the insurrection, if not soon suppressed, will hasten an external attack.]

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Guerrilla leader Manuel Beaton's continued ability to elude Castro forces would indicate support from local peasants.

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Beaton himself is a native of the area who guided Castro's guerrilla fighters. Since the Sierra Maestra peasants were Castro's chief supporters during much of his revolt, and are supposed to be its chief beneficiaries, their desertion would be a significant indication of disillusionment.

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Some of Castro's opponents in Cuba had suspected that Beaton--a revolutionary army captain who escaped to the mountains from imprisonment for a murder he denies having committed--was planted by the regime to trap counterrevolutionaries. They considered his guerrillas chiefly outlaws, who traditionally hide from justice in the Sierra Maestra,

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